

10 JUN 1959

MEMORANDUM FOR THE RECORD

25X1A6A SUBJECT: Proposed Purchase of Housing [REDACTED]

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1. In a meeting held with the Bureau of the Budget on Tuesday, 9 June 1959, attended by Messrs. Ellington, Ecker and Iossi of the Bureau and Mr. Saunders and the undersigned of the Agency, the proposed purchase of a house for [REDACTED] was discussed. Excerpts or points covered in the following cables, IN 48518, OUT 58177 and IN 26482, were outlined during the course of the discussion.

2. Mr. Ellington took the position that they could neither approve nor disapprove the proposal. The undersigned stated that normally they did not approve but rather they would have no objection to the specific proposal. Mr. Ellington countered by stating that based on the information available they had insufficient information to come to any conclusion but that the individual decision involved in this particular case would be left strictly to the Agency. He indicated that he generally knew of the arrangements we had with the Bureau on clearing all items of this kind with them.

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4. Mr. Ellington then asked what our long term program was for the purchase of housing. It was stated that as a matter of policy we did not have a long term objective for purchasing housing for staff employees but that our general policy was to lease housing. It was pointed out that our requirements were such that we preferred to have leased housing rather than owned housing.

5. He indicated dissatisfaction with this reply and stated that he would like to have a complete review of our housing policy and "where CIA is going in the purchasing of station housing." It was agreed that we should have some meetings on this subject later.

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6. Mr. Ellington also stated that regardless of the prior agreement with the Bureau on the clearing of these items, he did not feel that we could give him adequate information on which judgments could be based. This statement implies that until such time as an overall policy could be agreed upon between the two agencies, CIA would, of necessity, have to make decisions on their own individual cases. It is doubtful whether we should accept this view but that we should at least inform the Bureau of any cases of the procurement of land and facilities or the construction of facilities as we have in the past.

7. During the course of the discussion, Mr. Ecker quoted someone (he did not recall the specific name of the individual) [REDACTED]

[REDACTED] It was stated that this was incorrect. It was pointed out, however, that if the Agency did not feel that adequate housing facilities could be obtained within the allowance that the Agency accepted responsibility for acquiring and furnishing facilities at Agency expense. It was pointed out that in some instances the cost to the Agency in the latter instance could be in excess of allowances which could be given to the employee.

[REDACTED]
Chief
Budget Division

BD/COMP/CIN/aml (10 June 1959)

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